Labour Force in Manitoba
Generations

1976 TO 2029

FOR DISCUSSION PURPOSES ONLY

MANITOBA
BUREAU OF STATISTICS

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Introduction

As a co-operative project between the Manitoba Bureau of Statistics (MBS) and BC Stats, projections of Manitoba's labour force participation rates and labour force levels were developed for the period of 2015 to 2029 by age, sex and economic region.

The labour force has undergone dramatic changes over the last 65 years due to a variety of factors, including demographic, economic and social effects. The most significant event driving change was the meteoric rise in the proportion of women entering the labour force following World War II. Additional factors include changes in fertility rates, divorce rates, educational attainment, pension plans, flexible work plans, availability of services such as child care and parental leave, wars, major economic events and so forth.

While it is impossible to project each factor affecting the labour force separately, many changes are captured in cohort effects. In other words, people of the same age/sex-specific group are more likely to behave in a similar manner than are those who are younger or older. The methodology used in the projection calculates the rate of entry to, or exit from, the labour force for each five-year age group, by gender, between ages 15 and 69, plus another category for those aged 70 and over. These entry or exit rates are applied to existing cohort participation rates to project their future participation for Manitoba and its economic regions. MBS population projections (MBS 2015 – 3, Medium Scenario) were then used to produce labour force projections to 2029.

Based on the model, overall, Manitoba labour force participation rates are projected to trend down over the next 15 years. After increasing 6.0 percentage points between 1976 and 2014, it is anticipated that the total participation rate will drop 2.7 points to 65.1% in 2029. Despite this, Manitoba's labour force is projected to see growth throughout the 15 year projection. The overall decreasing trend in participation is mainly due to the increasing proportion of older individuals in the labour force population. Even though participation rates of older Manitobans are also expected to rise over time, they will still be significantly lower than those of younger people. Consequently, an aging population will contribute to proportionately fewer people participating in the labour force.

With the consequences of an aging population, an interesting point of analysis is the concept of social generations, particularly with respect to the rise and fall *Baby Boomers* in the labour force. The discussion in this paper regarding generations, involves six loosely defined generations and a rough estimation of the distribution of the Manitoba labour force over time.

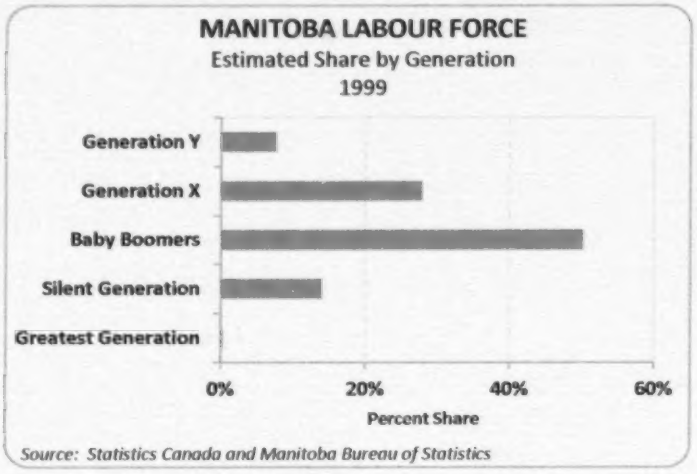
To obtain further information or to purchase a copy of MBS' *Manitoba Labour Force and Participation Rate Projections 2015* report which includes regional details and methodology, please contact Melissa Luff at 204-945-2985.

Social Generations

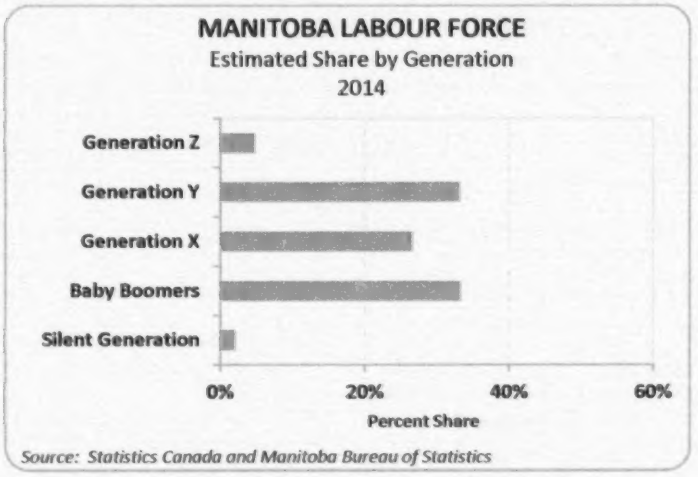
Social generations are birth cohorts, of varying size, that experienced a significant event within a given time period. Events range from economic crisis and war, to technological advance and social progress. The defining event and magnitude of the generation can have significant impact on the cohort, the country's economy and society as a whole, throughout the life of the cohort.

Manitoba's 2014 population is composed of approximately six, loosely defined, generations:

- The *Greatest Generation* (Born Pre-1925), aged 90 and over in 2014, includes those that fought during World War II and came of age during the great depression.
- The *Silent Generation* (1925-46), aged 68 to 89, includes some who fought in World War II, many who fought in the Korean War, and is a generation that experienced the civil rights movement. This generation includes the majority of baby boomer parents.
- *Baby Boomers* (1947-66), aged 48 to 67, were the result of a sudden rise in birth rates following WWII. They are associated with a rejection of traditional values and are currently a trending topic due to the economic and social impacts of their retirement and aging.
- *Generation X* (1967-79), aged 35 to 47, is comprised of the "baby bust" group that is often characterized through the experiences of living in the shadow of boomers.
- *Generation Y* (1980-95), aged 19 to 34, includes the children of the boomer generation. This "echo of boom" is smaller than the boomer generation and influenced by considerable socio-economic change such as higher divorce rates, increased female labour force participation, and technological advance.
- *Generation Z* (1996+), aged 0 to 18 in 2014, were born after the invention of the World Wide Web and into an age of advanced consumer technology.



Source: Statistics Canada and Manitoba Bureau of Statistics

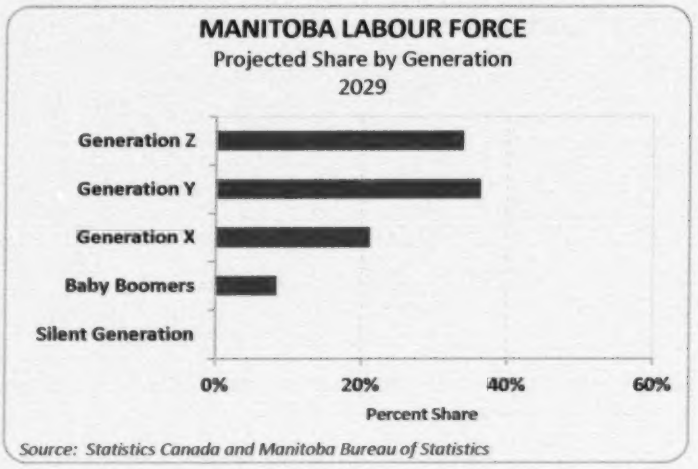


Source: Statistics Canada and Manitoba Bureau of Statistics

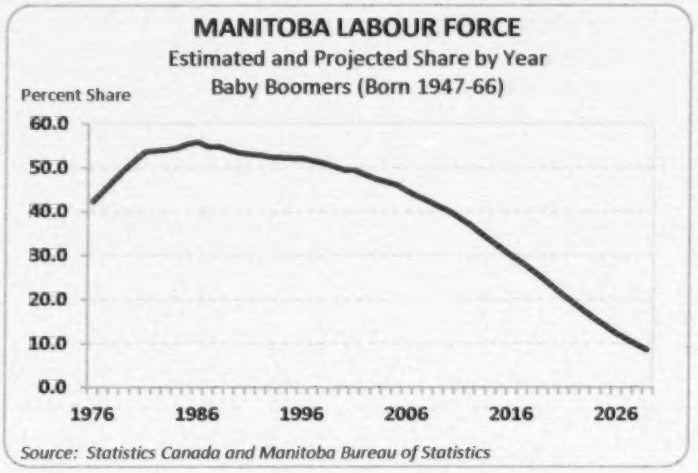
Baby Boomers comprised the majority of Manitoba's labour force in 1999, at just over 50%, while Generation X held just under 28%.

In 2014, the labour force was spread between Baby Boomers (33.3%), Generation Y (33.2%) and Generation X (26.6%).

By 2029, it is expected that the Baby Boomers will hold just 8.4% of the labour force share while Generation Y and Generation Z take over, with 36.3% and 34.0%, respectively.



Baby Boomers reached their peak share in the mid-eighties when they were just 20 to 39 year old and comprised approximately 56% of the labour force. They made up more than half of the labour force for over two decades.



The "fall of the boomer" over the 15 year projection is expected to have significant consequences as this large group leaves the labour force. Even though participation rates of older Manitobans are expected to rise over time, they will still be significantly lower than those of younger people. As baby boomers age, they will contribute to proportionately fewer people participating in the labour force. This will cause a decline in the overall participation rate for Manitoba, barring other changes among influencing factors.